

2020

Marinomed Biotech AG

Update Q3



Dear shareholders,

Sadly, the forewarned second COVID-19 wave is upon us, and again the answer is a lockdown for almost the entire country. The consequences are human suffering and billions in costs in Austria alone. So, what's next?

The prestigious scientific journal, The Lancet recently published: "Technologies only deliver health care or save lives if they are integrated into clinical practice in an adequately equipped health system." With our Carragelose® products, an inexpensive technology is available for precisely this purpose. The rapidly growing sales prove that this knowledge is increasingly reaching the market.

Groundbreaking innovation Carragelose® effective against SARS-CoV-2

In addition, our own in-vitro data, researchers from Prof. Schubert's group at Friedrich-Alexander University Erlangen have now confirmed in laboratory studies that Carragelose® is also effective against the new SARS-CoV-2 virus. Similar to antibodies, Carragelose® can neutralize the virus particles and thus protect the cells from viral infections. Funded by the Austrian Research Promotion Agency (FFG), we are working diligently to confirm the laboratory results with clinical data on the effects of Carragelose® on

people with SARS-CoV-2 infections.

The demand for Carragelose® products has further accelerated in the third quarter. While record sales of EUR 2.3 million were recorded in the first half year, turnover reached EUR 2.8 million in the third quarter alone, an increase of around 68% compared to the prior-year period. Topics such as securing the supply chain with record order volumes and strong demand represent a considerable challenge, especially during lockdowns. We have already started the first measures last year and are continuing to work intensively with our partners on meeting these leaps in demand as quickly as possible. The positive data against SARS-CoV-2 have also led to increased interest in sales partnerships by international companies.

Broadening of the Marinosolv® platform

Research and development on the Marinosolv® technology platform was advanced in parallel. The results are consistently positive and have expanded the pipeline. These new projects will also open up new markets.

The approvals for the Tacrosolv study to treat allergic conjunctivitis are in place and the study has already been formally initiated. The start time of the study now depends on the circumstances

in connection with the COVID-19 crisis and will be determined by the trial physician in agreement with the clinical center. As the health of the study participants and keeping a low attrition rate has the highest priority, a postponement of the start of the study to a time after the cold and flu season cannot be excluded.

With the antiallergic drug Budesolv, the first lead product of the Marinosolv® technology platform, the submission for marketing approval and the establishment of corresponding sales partnerships are the next milestones. Although the COVID-19 crisis is leading to substantial delays, we are more confident than ever that we can successfully launch the product.

Furthermore, the Marinosolv® platform has received confirmation from paying customers. In the first feasibility studies, we could demonstrate to several customers that their active ingredients

can be brought into solution. We see a high long-term potential in this business area.

Outlook 2020 and beyond

The order situation for the remaining financial year 2020 and Q1 2021 is very favorable, so that further strong sales development is foreseeable. This is supported by the sustained strong demand for Carragelose® products. We are continuing to invest heavily in research and development in order to fully exploit the potential of our two platforms. This will result in operating losses in 2020, as forecasted. This is in-line with our business planning to target operating profits in the midterm. The board thanks the Marinomed team for their commitment over the past few months, which allows us, despite the COVID-19 crisis, to look into the future with great confidence.

Andreas Grassauer

Eva Prieschl-Grassauer

Pascal Schmidt

Statement of profit or loss and other comprehensive income (loss)

	1-9/2020	1-9/2019	7-9/2020	7-9/2019
all amounts in kEUR				
Profit or Loss				
Revenues	5,061.4	3,315.5	2,778.8	1,657.4
Other income	793.4	472.1	318.8	178.5
Other gains (losses), net	-13.4	1.9	-2.5	0.2
Expenses for materials	-3,561.2	-2,248.6	-2,004.0	-1,141.4
Expenses for services	-2,018.2	-2,194.9	-1,044.9	-555.8
Personnel expenses	-2,962.9	-2,847.7	-945.8	-841.8
Depreciation and amortisation	-313.2	-245.4	-111.2	-81.4
Other expenses	-1,276.8	-1,537.6	-386.6	-443.9
Operating result (EBIT)	-4,290.9	-5,284.7	-1,397.4	-1,228.2
Financial income	0.1	0.2	-0.0	0.1
Financial expenses	-492.7	-864.5	-158.4	-19.0
Financial result	-492.7	-864.3	-158.4	-18.9
Loss before taxes	-4,783.6	-6,149.0	-1,555.8	-1,247.1
Taxes on income	-2.6	-3.5	-0.9	-0.9
Loss for the period	-4,786.2	-6,152.5	-1,556.7	-1,248.0
Other comprehensive income (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-4,786.2	-6,152.5	-1,556.7	-1,248.0

All results are attributable to shareholders of the Company.

Statement of financial position

	30.09.2020	31.12.2019
all amounts in kEUR		
ASSETS		
Non-current assets		
Intangible assets	1,814.1	1,625.4
Property, plant and equipment	4,957.0	2,491.0
Shares in affiliated companies	-	35.0
Deposits and other non-current receivables	11.8	12.5
	6,782.9	4,163.9
Current assets		
Inventories	588.5	97.5
Trade and other receivables	4,879.6	3,220.4
Current tax receivables	0.0	0.0
Cash and cash equivalents	5,256.5	12,019.6
	10,724.6	15,337.5
Total assets	17,507.5	19,501.5

	30.09.2020	31.12.2019
all amounts in kEUR		
Equity and liabilities		
Capital and reserves		
Share capital	1,472.4	1,469.8
Capital reserves	41,281.7	40,848.1
Retained losses	-36,242.2	-31,451.9
	6,511.9	10,866.0
Non-current liabilities		
Borrowings	4,747.1	4,505.4
Other non-current liabilities	69.0	104.1
	4,816.1	4,609.5
Current liabilities		
Borrowings	223.4	135.2
Trade payables	1,293.8	1,002.4
Current contract liabilities and other current liabilities	3,389.4	1,615.4
Provisions	1,273.0	1,273.0
	6,179.6	4,026.0
Total equity and liabilities	17,507.5	19,501.5

Statement of cash flows

	1-9/2020	1-9/2019
all amounts in kEUR		
Cash flow utilised by operating activities	-4,488.4	-6,205.2
Cash flow utilised by investing activities	-2,305.1	-1,606.3
Cash flow generated from financing activities	30.4	16,434.5
Net cash flow	-6,763.1	8,623.1
Cash & cash equivalents at beginning of period	12,019.6	1,715.5
Cash & cash equivalents at end of period	5,256.5	10,338.5

Statement of changes in equity

all amounts in kEUR	Nominal capital/ Share capital	Capital reserves	Retained losses	Total
January 1, 2019	1,000.0	6,968.3	-24,235.4	-16,267.1
Loss for the period	-	-	-6,152.5	-6,152.5
Total comprehensive income (loss) for the period	-	-	-6,152.5	-6,152.5
ESOP 2019	-	281.8	-	281.8
Paid in capital, net of transaction cost	299.0	20,336.3	-	20,635.3
Conversion of convertible bond	170.8	13,117.0	-	13,287.8
September 30, 2019	1,469.8	40,703.4	-30,387.9	11,785.3
January 1, 2020	1,469.8	40,848.1	-31,451.9	10,866.0
Loss for the period	-	-	-4,786.2	-4,786.2
Total comprehensive income (loss) for the period	-	-	-4,786.2	-4,786.2
ESOP 2019	2.7	433.5	-	436.2
Initial consolidation Marino Immo GmbH	-	-	-4.1	-4.1
September 30, 2020	1,472.4	41,281.7	-36,242.2	6,511.9

Segment reporting

Period ended September 30, 2019	Carragelose	Marinosolv	Corporate	Total
all amounts in kEUR				
Total revenues	3,300.5	15.0	-	3,315.5
<i>Of which sale of goods</i>	<i>3,009.7</i>	-	-	<i>3,009.7</i>
<i>Austria</i>	-	-	-	-
<i>Other European countries</i>	<i>1,910.4</i>	-	-	<i>1,910.4</i>
<i>Non-European countries</i>	<i>1,099.3</i>	-	-	<i>1,099.3</i>
<i>Of which other revenues</i>	<i>290.8</i>	<i>15.0</i>	-	<i>305.8</i>
<i>Austria</i>	<i>55.0</i>	<i>15.0</i>	-	<i>70.0</i>
<i>Other European countries</i>	<i>63.2</i>	-	-	<i>63.2</i>
<i>Non-European countries</i>	<i>172.6</i>	-	-	<i>172.6</i>
Cost of goods sold	-2,172.0	-	-	-2,172.0
Contract research	-262.2	-1,437.4	-	-1,699.6
Personnel expenses	-527.4	-837.3	-1,483.1	-2,847.7
Other miscellaneous income/expense	-327.3	128.8	-759.8	-958.3
Depreciation and amortisation	-120.3	-55.9	-69.2	-245.4
Non-recurring items	-	-	-677.2	-677.2
Operating result (EBIT)	-108.7	-2,186.8	-2,989.3	-5,284.7
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Period ended September 30, 2020	Carragelose	Marinosolv	Corporate	Total
all amounts in kEUR				
Total revenues	5,021.9	39.0	0.5	5,061.4
<i>Of which sale of goods</i>	<i>4,750.6</i>	-	-	<i>4,750.6</i>
<i>Austria</i>	<i>69.9</i>	-	-	<i>69.9</i>
<i>Other European countries</i>	<i>2,944.1</i>	-	-	<i>2,944.1</i>
<i>Non-European countries</i>	<i>1,736.6</i>	-	-	<i>1,736.6</i>
<i>Of which other revenues</i>	<i>271.3</i>	<i>39.0</i>	<i>0.5</i>	<i>310.8</i>
<i>Austria</i>	<i>169.4</i>	-	<i>0.5</i>	<i>169.9</i>
<i>Other European countries</i>	<i>60.4</i>	<i>39.0</i>	-	<i>99.4</i>
<i>Non-European countries</i>	<i>41.5</i>	-	-	<i>41.5</i>
Cost of goods sold	-3,430.4	-	-	-3,430.4
Contract research	-1,071.9	-473.9	-	-1,545.8
Personnel expenses	-663.1	-827.6	-1,472.2	-2,962.9
Other miscellaneous income/expense	-124.1	45.5	-1,021.4	-1,100.0
Depreciation and amortisation	-156.7	-64.2	-92.4	-313.2
Non-recurring items	-	-	-	-
Operating result (EBIT)	-424.4	-1,281.1	-2,585.4	-4,290.9

Research and development expenses

all amounts in kEUR	1-9/2020	1-9/2019	7-9/2020	7-9/2019
Personnel expenses	-1,261.3	-832.1	-391.3	-259.4
Expenses for services	-1,603.9	-1,756.6	-912.8	-438.7
Expenses for materials	-162.1	-105.7	-89.6	-21.1
Other expenses	-132.1	-85.0	-57.5	-24.0
Depreciation and amortisation	-215.4	-171.1	-74.3	-56.5
Financial expenses	-490.8	-240.3	-167.6	-18.0
Total	-3,865.7	-3,190.8	-1,693.2	-817.8

Legal notice

Marinomed Biotech AG

Veterinärplatz 1
1210 Wien
Österreich
www.marinomed.com

Contact

Pascal Schmidt, Chief Financial Officer
Tel. +43 2262 90300
ir@marinomed.com

Disclaimer

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These interim condensed consolidated financial statements of Marinomed Biotech AG were neither fully audited nor reviewed by the Company's statutory auditor.

Due to the financial rounding of individual items in this update, it may contain minor calculation differences.

This update includes forward-looking statements that have been made on the basis of information available at this point in time. As a result of various unforeseen factors, the actual development may deviate from the presented expectations. Marinomed Biotech AG will not update these forward-looking statements, neither on the basis of changed actual circumstances nor on the basis of changed assumptions or expectations. This update is not and shall not be construed as an offer, invitation, recommendation or solicitation to sell, issue, purchase or subscribe for any securities of Marinomed Biotech AG.

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